

## Message Text

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ACTION OPIC-06

INFO OCT-01 AF-10 ISO-00 EB-08 COME-00 TRSE-00 CIAE-00  
INR-10 NSAE-00 PA-02 ICA-20 L-03 AID-05 /065 W  
-----090222 131855Z /43

R 121120Z SEP 78  
FM AMEMBASSY ABIDJAN  
TO SECSTATE WASHDC 0339

UNCLAS ABIDJAN 8423

DEPT PASS: OPIC

E.O. 11652: N/A  
TAGS: OPIC  
SUBJ: EMBASSY COMMENTS ON INVESTMENT BY THE IVORY GROUP  
(681-77-288)

REF: 8/16/77 MEMO FROM CRUMPLER OF OPIC

1. WE HAVE REVIEWED THE APPLICATION OF THE IVORY GROUP FOR POLITICAL RISK INVESTMENT INSURANCE AND ARE SUBMITTING OUR COMMENTS ON THE PROJECT AS REQUESTED BY OPIC. THE IVORY COAST IS EXPANDING ITS TOURIST SECTOR TO KEEP PACE WITH RAPID GROWTH IN TOURIST AND BUSINESS ARRIVALS WHICH HAVE BEEN INCREASING 12 TO 15 PERCENT ANNUALLY. TO ENCOURAGE FOREIGN INVESTMENT IN THE TOURIST SECTOR, THE GOIC HAS PROVIDED INVESTORS WITH A GENEROUS TAX HOLIDAY OF SEVEN YEARS AND HAS PERMITTED DUTY-FREE IMPORTATION OF BUILDING MATERIALS. WHILE THERE IS A THREAT THAT THE HOTEL INDUSTRY MAY BECOME OVERBUILT AT SOME POINT, WE DO NOT BELIEVE THIS IS LIKELY IN THE NEAR FUTURE. SOURCES IN THE MINISTRY OF TOURISM REPORT THAT THE AVERAGE OCCUPANCY RATE OF HOTELS IN ABIDJAN AREA EXCEEDS 80 PERCENT. IN PEAK PERIODS, ROOMS IN THIS GROWING REGIONAL BUSINESS CENTER ARE UNOBTAINABLE.

2. ON A MACROECONOMIC BASIS, THE EMBASSY VIEWS THIS  
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PROJECT AS BEING SUPPORTIVE OF THE IVORY COAST'S BALANCE OF PAYMENTS AND RECOMMENDS THAT OPIC APPROVE THE APPLICATION FOR POLITICAL RISK COVERAGE. THE INVESTMENT WOULD HAVE NO DETRIMENTAL IMPACT ON THE U.S. ECONOMY. HOTEL CONSTRUCTION AND MAINTENANCE IN THE IVORY COAST IS EXCELLENT BY THIRD WORLD STANDARDS AND APPROXIMATES WEST EUROPEAN STANDARDS. MOST

HOTEL ARE EFFICIENTLY RUN AND THE FACT THAT THE IVORY GROUP WILL BE IN PARTNERSHIP WITH NOVOTEL OF FRANCE ENHANCES THE PROJECT'S PROSPECTS. AS OPIC IS AWARE, THE GOIC HAS STRONGLY ENCOURAGED FOREIGN INVESTMENT SINCE INDEPENDENCE AND WE SEE LITTLE LIKELIHOOD THAT THESE POLICIES WILL BE ALTERED IN THE FORESEEABLE FUTURE.

3. THE EMBASSY HAS NOT YET RECEIVED THE MINISTRY OF ECONOMY AND FINANCE'S FORMAL ACCEPTANCE OF OPIC INSURANCE OF THE INVESTMENT BUT WILL FORWARD IT TO OPIC UPON RECEIPT.

STEARNS

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TOURISM, INVESTMENT PROGRAMS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 12 sep 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
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**Subject:** EMBASSY COMMENTS ON INVESTMENT BY THE IVORY GROUP (681-77-288)  
**TAGS:** ETRD, IV, OPIC  
**To:** STATE  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
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